

The Church of Jesus Christ of Latter-day Saints (Welfare) Limited
(A limited company and registered charity)

Annual report and financial statements

Year ended 31 December 2008

Company number: 1332670

Charity number: 274605



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The Church of Jesus Christ of Latter-day Saints (Welfare) Limited

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The Church of Jesus Christ of Latter-day Saints (Welfare) Ltd

Report of the trustees for the year ended 31st December 2008

The trustees are pleased to present their report together with the financial statements of the charity for the year ending 31st December 2008.

Legal and administrative details

<u>Charity number:</u>	274605
<u>Company number:</u>	1332670
<u>Principal office and registered office:</u>	751 Warwick Road, Solihull, West Midlands, B91 3DQ
<u>Auditors:</u>	Pricewaterhouse Coopers LLP Donnington Court, Pegasus Business Park, Castle Donnington, East Midlands, DE74 2UZ
<u>Bankers:</u>	HSBC 34 Poplar Road, Solihull, West Midlands, B91 3AF Bank of America 26 Elmfield Road, Bromley, Kent, BR1 1WA
<u>Solicitors:</u>	Devonshires Salisbury House, London Wall, London, EC2M 5QY

Directors and trustees:

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and subsequent to the year end and up to the date of signing the report were as follows:

Terry Joe Spallino	Resigned 18 August 2008
Clive Richard Jolliffe	Resigned 18 August 2008
Robert John Mulligan	
Gregory William Reeves	Appointed 18 August 2008
Rainer Herbert Gottlieb Wiborny	Appointed 18 August 2008

None of the directors have qualifying third party indemnity insurance.

The Church of Jesus Christ of Latter-day Saints (Welfare) Ltd

Report of the trustees for the year ended 31st December 2008 (continued)

Structure, governance and management

Governing document

The Church of Jesus Christ of Latter-day Saints (Welfare) Limited is a limited company and a registered charity. The Charity is governed by its Memorandum and Articles of Association.

Appointment of trustees

As set out in the Articles of Association, new or additional directors (trustees) are to be appointed by the shareholder (Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints), providing such persons are willing so to act either to fill a vacancy or as an additional trustee.

The shareholder will also determine the rotation and time in which trustees are to retire. Currently no term is fixed to the term served. Trustees shall not be less than two or more than seven in number.

The shareholder may, from time to time, may vary the minimum or maximum number of directors (trustees).

Trustee induction and training

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity.

During the induction day they meet key employees and other trustees. Trustees are updated and advised on legal issues by Devonshires solicitors.

Organisation

The parent organisation of the charity, The Church of Jesus Christ of Latter-day Saints, is directed by the First Presidency supported by The Quorum of the Twelve Apostles and various quorums of the Seventy. Members of these quorums are called General or Area Authorities, three of whom will be assigned to serve as an Area Presidency within a specific geographic area.

Throughout the world a number of Area Presidencies are assigned to administer the day to day affairs of the Church on behalf of the First Presidency. One of these Area Presidencies is based in Frankfurt, Germany and has the responsibility for the administration and operation of the Church in Europe. The Europe Area Presidency provides ecclesiastical direction for the Church in Europe and oversees the Church's lay ministry.

Ecclesiastical direction is channelled to the charity via the shareholder (Corporation of the Presiding Bishop) and is reflected in the various department budget requests which are reviewed by the trustees annually prior to them being submitted to Church headquarters for approval.

Within this framework, the board of trustees administers the affairs of the charity. The board meets at least twice a year. Department heads submit reports and budget requests to the trustees for approval in or around October each year. In or around March each year department heads report to the trustees on the prior year's financial performance and achievements.

The Church of Jesus Christ of Latter-day Saints (Welfare) Ltd

Report of the trustees for the year ended 31st December 2008 (continued)

Structure, governance and management (continued)

In addition, the trustees monitor progress and achievements throughout the year and other trustee meetings are held as necessary.

Employees

The charity has the policy of ensuring that its employees are those that are able to meet the necessary requirements of their position and are up to date on any developments required for their position. This is achieved in a variety of ways:

- Applications for new positions in the charity are invited from anyone with the relevant qualifications – the key emphasis is on their ability to meet the requirements of the position although the application form does request the applicant to mention if they have any illness or medical condition which the employer would need to be aware of in order to make reasonable adjustments should they be successful.
- The charity utilises regular staff meetings during the year which help to ensure that the employees' input is received regarding any decisions which affect their interests. In addition, there are websites and e-mail facilities available to enable more effective communication and training. This helps to ensure that employees receive systematic updates on matters concerning them as employees and ensures their involvement in relation to the financial and economic factors that affect the performance of the charity.
- In addition to the above points, the charity is mindful of the need to cater for those with disabilities. Where any employees become incapacitated during their employment they are entitled to receive long-term disability benefits from the charity. Where an employee becomes disabled but not incapacitated the employer will make any reasonable adjustments necessary. The same opportunities are available to all staff, irrespective of disability. The key emphasis is on the technical ability of each employee.

Related parties

The charity has a close relationship with its sister charity The Church of Jesus Christ of Latter-day Saints (Great Britain). There is regular cooperation between the charities.

Principal risks and uncertainties - financial risk and management

The following statements summarise the charity's policy in managing identified forms of financial risk:

- Price risk – salary costs are communicated to staff during the formal annual review of salaries. Prices of materials purchased are subject to contracts with suppliers, based on current market prices.
- Credit risk – Credit risk on amounts owed to the charity by its customers is low as the majority of its debtors have been contracted with frequently by the charity in the past and have a proven reliability.

The Church of Jesus Christ of Latter-day Saints (Welfare) Ltd

Report of the trustees for the year ended 31st December 2008 (continued)

Structure, governance and management (continued)

- Liquidity risk – The charity has no long-term borrowings. Assurances of continuing financial support have been received from the parent company.
- Interest rate cash flow risk – The charity is able to place surplus funds on short term deposit with the company's bankers.

The trustees have a risk management strategy which encompasses:

- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the strategy; and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

Objectives and principal activities

We have the general aim of assisting the Church of Jesus Christ of Latter-day Saints ("The Church") to grow its membership and to provide facilities for them and to reach out and work with and provide services to the wider community. We assist members of The Church and others in need of religious assistance or in conditions of need, hardship, sickness or distress.

The object of the charity is:

To promote and further the religious and other charitable work of The Church of Jesus Christ of Latter-day Saints in the United Kingdom and elsewhere and to assist members and other persons who are in conditions of need, hardship, sickness and distress, to all ages and denominations.

The charity achieves this in the following ways:

- acquires land and builds purpose-built meetinghouses for The Church of Jesus Christ of Latter-day Saints (Great Britain) in which members of the Church and the public can meet together for religious worship and instruction.
- teaches members, and non-members where possible, welfare and self-reliance principles for general living and emergency situations to provide for themselves and their families.

Achievements and performance

The achievements of the charity for the year were as follows:-

Provision of facilities for religious worship

One of the primary objectives of The Charity is to provide temples and meetinghouses to enable religious worship to be undertaken by members of the Church and others. The acquisition of land and the construction of new facilities is one of the main aims of the charity.

The Church of Jesus Christ of Latter-day Saints (Welfare) Ltd

Report of the trustees for the year ended 31st December 2008 (continued)

Achievements and performance (continued)

No new sites were purchased in 2008 and no meetinghouse construction projects were completed. However, during 2008 two meetinghouses were extended at a total cost of £527,000. These extensions were required to more adequately house the growing congregations.

In the early part of 2008 the design and planning of two needed meetinghouse projects were commenced – a new meetinghouse for the Congleton Ward and a replacement meetinghouse for the badly fire damaged Runcorn meetinghouse. These two projects will cost £3,716,000.

The trustees are mindful that, while the 16,000 acres currently held have been shown to be solidly profitable since their acquisition, the small and somewhat scattered nature of some of the parcels of land do lead to some labour and equipment inefficiencies. The trustees believe that this weakness in the operations of the farms can be overcome by consolidating land holdings around two major farm centres in Lincolnshire and Cambridgeshire. During 2009 the trustees authorised investigations to be undertaken to identify suitable land that might become available as potential purchases. The trustees further approved the sale of the more remote and scattered parcels of land following the anticipated acquisitions.

Encourage welfare principles

Wheat sales were provided to members during the year to the total of £67,000 and members were instructed on long term storage wheat storage and encouraged to incorporate wheat in their day to day food preparation.

Local leaders of the Church were given counsel and direction on how best to respond to the needs of the poor and needy. This training was undertaken by volunteers who, in addition, provided further training on responding to spiritual, emotional and social needs, resource management and debt avoidance, enhancing physical health and well-being and meeting the education and literacy needs of members.

Ecclesiastical leaders identified volunteers who could provide employment counselling services and, following training, they assisted in 1,444 education and employment placements. In addition, an employment centre was established in London to assist families and individuals who are facing challenges as a consequence of the economic downturn.

The achievements of the subsidiaries for the year were as follows:

Agreserves principal activity continued to be that of arable farming and operated a policy of generating the highest profits feasible from efficient farming techniques that utilise the latest technology. Farmspeed (Southery Anchor) Limited and Hallsworth (Farmland trust) Limited ceased trading on 26 August 2007 and transferred their farming operations to the parent company, Agreserves Limited at that time.

After taking into account the consolidation adjustments the net income of the subsidiaries included in the statement of financial activities was as follows:

Agreserves Limited – (£2,566,000)

Farmspeed (Southery Anchor) Limited - £0

Hallsworth (Farmland Trust) Limited - £0

The Church of Jesus Christ of Latter-day Saints (Welfare) Ltd

Report of the trustees for the year ended 31st December 2008 (continued)

Financial results

Each year the trustees carry out a detailed review of each department of the charity. They review the previous year's achievements and review and approve the budgets for next year.

The end of the year saw an excellent financial result based on strong financial management. Costs were maintained within budget and were significantly reduced from £6,793,000 in 2007 to £5,281,000 in 2008, particularly due to increased emphasis on budgetary control.

Incoming resources saw a decrease from £9,627,000 in 2007 to £8,867,000 in 2008. This was primarily due to a reduction in new buildings being constructed and sold to its sister company, The Church of Jesus Christ of Latter-day Saints (Great Britain). Construction sales reduced from £1,006,000 in 2007 to £500,000 in 2008.

The other incoming resources were income from trading subsidiaries (£6,773,000), investment income (£515,000) and other income (£70,000).

Incoming resources exceeded resources expended for the year by £3,586,000.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees deem to be in the best interests of the charity.

The charity's objective is to maintain high liquidity while ensuring maximum security and achieving the highest possible return.

To achieve this objective, the charity invested £10.7 million in fixed-term deposit accounts with high security rating from periods of one week to one month and achieved an average rate of 4.81% gross during 2008.

Investment income is recognised on a receivable basis.

Reserves policy

The trustees have established the level of reserves (that is those funds that are freely available) that the charity ought to have ready access to. Reserves are needed to bridge any funding gap between spending and receiving resources through shareholder grants and member donations. The trustees' policy is to hold, as a minimum, the equivalent of approximately 18 months turnover in reserves.

The actual reserves at 31 December 2008 were £57,970,000 which is significantly above our target.

It is the trustees' view that it is prudent to ensure that there are sufficient reserves to provide financial flexibility.

The reserves policy is reviewed on an annual basis.

The Church of Jesus Christ of Latter-day Saints (Welfare) Ltd

Report of the trustees for the year ended 31st December 2008 (continued)

Plans for future periods

The goals for 2009 include plans to:

1. Implement General Welfare Committee Strategic Priorities
 - Teach members the principles of fasting and fast offerings
 - Teach leaders basic welfare doctrines and principles
 - Help members find employment
 - Encourage home production and storage of food
2. Encourage Humanitarian Services in local communities.
3. Implement the International Welfare Strategy as applicable.
4. Enhance the profitability and efficiency of the farms through well reasoned acquisitions and sales to achieve, over time, a concentration on land holdings around one or possibly two major farms.
5. During 2009 work will start on the construction of two meetinghouses – a new meetinghouse at Congleton and a replacement fire damaged meetinghouse at Runcorn (Combined cost of £3,716,000).

Trustees' responsibilities in relation to the Annual Report and financial statements

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and its surplus or deficit for that period.

In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make sound judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The trustees confirm that they have complied with the above requirements in preparing the financial statements.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for

The Church of Jesus Christ of Latter-day Saints (Welfare) Ltd

Report of the trustees for the year ended 31st December 2008 (continued)

Trustees' responsibilities in relation to the Annual Report and financial statements (continued)

safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement on disclosure of information to the auditors

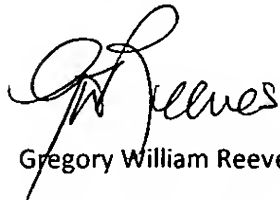
In the case of each of the persons who are trustees at the time when the report is approved under section 234Za the following applies:

- So far as each trustee is aware, there is no relevant information of which the charity's auditors are unaware; and
- He has taken all steps that ought to have been taken as a trustee in order to make himself aware of any relevant information and to establish that the charity's auditors are aware of that information.

Auditors

PricewaterhouseCoopers LLP are to be re-appointed as auditors to the charity for the ensuing year.

By order of the trustees



Gregory William Reeves

Trustee and Chairman

23 October 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

for the year ended 31 December 2008

We have audited the group and parent charity financial statements ("the financial statements") of The Church of Jesus Christ of Latter-day Saints (Welfare) limited and Subsidiary Undertakings for the year ended 31 December 2008 which comprise the group and charity Statement of Financial Activities, the group and charity Balance Sheets, the group Cash Flow Statement, the accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The responsibilities of the trustees (who are also the directors of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited and Subsidiary Undertakings for the purposes of company law) for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the charitable company's members as a body in accordance with section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view, and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Report and all other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

AUDITORS' REPORT TO THE MEMBERS OF
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

for the year ended 31 December 2008

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the group and charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

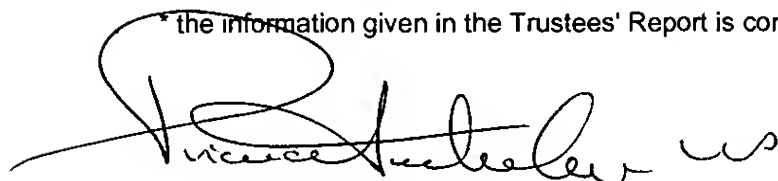
OPINION

In our opinion:

* the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent charitable company's affairs as at 31 December 2008 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and parent charitable company's income and expenditure and cash flows, for the year then ended;

* the financial statements have been properly prepared in accordance with the Companies Act 1985; and

* the information given in the Trustees' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands

23 Oct 2009

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)
for the year ended 31 December 2008

		GROUP		COMPANY	
	Note	Unrestricted Total funds 2008 £'000	Unrestricted Total funds 2007 £'000	Unrestricted Total funds 2008 £'000	Unrestricted Total funds 2007 £'000
Incoming resources					
Incoming resources from generated funds:					
Voluntary income					
Donation from parent company		1,012	494	1,012	494
New construction					
		500	1,006	500	1,006
Income from trading subsidiaries		6,773	6,944	-	-
Profits covenanted from farm activities		-	-	-	762
Investment Income					
Rental income		15	13	1,170	1,168
Interest receivable		500	424	500	424
		8,800	8,881	3,182	3,854
Other incoming resources					
Other operating income		70	11	70	11
(Loss)/profit on disposal of tangible fixed asset:	3	(3)	735	(3)	735
		67	746	67	746
Total incoming resources		8,867	9,627	3,249	4,600
Resources expended					
Expenses of trading subsidiaries					
		4,207	5,115	-	-
Charitable activities	2a	1,047	1,650	1,145	1,738
Governance costs	2d	27	28	27	28
Total resources expended		5,281	6,793	1,172	1,766
Net income for the year		3,586	2,834	2,077	2,834
Total funds brought forward		54,384	51,550	50,879	48,045
Total funds carried forward		57,970	54,384	52,956	50,879

None of the charity's activities were acquired or discontinued during the above two financial years.

There is no difference between the results above and the unmodified historical cost equivalents for this period.

The statement of financial activities includes all gains and losses recognised in the year.

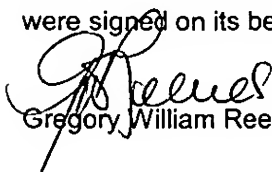
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

BALANCE SHEETS
As at 31 December 2008

		GROUP		COMPANY	
	Notes	2008 £'000	2007 £'000	2008 £'000	2007 £'000
FIXED ASSETS					
Tangible assets	6	49,624	49,235	47,115	46,898
Investments	7	5	5	4,100	4,100
		49,629	49,240	51,215	50,998
CURRENT ASSETS					
Stock	8	6,256	4,639	-	-
Debtors	9	2,347	2,467	4,077	4,876
Cash at bank and in hand		3,531	4,386	704	725
Investments	10	10,731	9,528	10,731	9,528
		22,865	21,020	15,512	15,129
CREDITORS					
Amounts falling due within one year	11	(905)	(1,150)	(152)	(522)
NET CURRENT ASSETS		21,960	19,870	15,360	14,607
TOTAL ASSETS LESS CURRENT LIABILITIES		71,589	69,110	66,575	65,605
CREDITORS					
Amounts falling due after more than one year	12	(3,619)	(4,726)	(3,619)	(4,726)
Net assets		67,970	64,384	62,956	60,879
CAPITAL AND RESERVES					
Unrestricted income funds:					
Called up share capital	13	10,000	10,000	10,000	10,000
Unrestricted funds	14	57,970	54,384	52,956	50,879
Total charity funds		67,970	64,384	62,956	60,879

The notes on pages 17 to 27 form part of these accounts.

The financial statements on pages 11 to 27 were approved by the board of directors on 23 October 2009 and were signed on its behalf by:


Gregory William Reeves - Trustee

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2008

	Notes	2008 £'000	2007 £'000
Reconciliation of operating surplus to net cash inflow from operating activities			
Operating surplus	16a	2,912	2,166
Depreciation		964	959
Profit on disposal of fixed assets		(107)	(760)
(Increase)/Decrease in stocks		(1,617)	(67)
Decrease in debtors		120	77
(Decrease)/increase in creditors		(245)	255
Profit on disposal of investments		-	(8)
Net cash inflow from operating activities		2,027	2,622
CASH FLOW STATEMENT		2008 £'000	2007 £'000
Net cash inflow from continuing operating activities		2,027	2,622
Returns on investments and servicing of finance	16a	674	668
Capital expenditure and financial investment	16a	(1,246)	(333)
Management of liquid resources		(1,203)	(2,707)
INCREASE/(DECREASE) IN CASH IN THE YEAR		252	250
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (note 18b)		2008 £'000	2007 £'000
MOVEMENT IN NET DEBT IN THE YEAR		252	250
NET DEBT AT 1 JANUARY		(340)	(590)
NET DEBT AT 31 DECEMBER	16b	(88)	(340)

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED AND SUBSIDIARY UNDERTAKINGS

ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable Accounting Standards in the United Kingdom and in accordance with the Statement of Recommended Practice (SORP), Accounting and Reporting for Charities 2005. A summary of the significant accounting policies which have been applied consistently is set out below:

BASIS OF ACCOUNTING.

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 1985.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of The Church of Jesus Christ of Latter-day Saints (Welfare) Limited and all of its subsidiary undertakings for the year. All financial statements are made up to 31 December 2008. The consolidation has been prepared using the line by line method of accounting. All intragroup sales, profits and balances are fully eliminated on consolidation.

FRS 18

The trustees have reviewed the accounting policies and confirmed that they are the most applicable.

INCOMING RESOURCES

All incoming resources are included in the Statement of Financial Activities (SOFA) when the organisation is legally entitled to the income and the amount can be quantified with reasonable accuracy. Costs of constructing new buildings on behalf of The Church of Jesus Christ of Latter-Day Saints (Great Britain) are recharged at each year end on the basis of total construction costs incurred to date. Rental income is recorded in accordance with the terms of the appropriate lease

RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Direct charitable expenditure comprises expenditure directly relating to the objects of the charity.

Governance costs incorporate those costs of governance arrangements which relate to the general running of the charity as opposed to the direct management functions. The costs relating to these activities provide the governance infrastructure which allows the charity to operate and to generate the information required for public accountability. An analysis of these costs are disclosed in note 2.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Individual fixed assets costing £2,000 or more are capitalised at cost. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write down each asset to its estimated residual value over its expected useful life, as follows:

Farm houses	over 40 years
Farm buildings and amenities	over 10 to 40 years
Equipment, fixtures and fittings	over 5 to 10 years
Plant and machinery	over 5 to 10 years

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

ACCOUNTING POLICIES (CONTINUED)

FIXED ASSET INVESTMENTS

Fixed asset investments are stated at cost. Provision is made for any permanent diminution in value.

STOCKS

Stocks and cultivations are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Government subsidies are no longer included as part of the net realisable value of the crops as directed by the Rural Payments Agency.

Provision is made for obsolete and slow-moving items. Costs include all direct costs and an appropriate proportion of fixed and variable overheads.

OPERATING LEASES

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

FOREIGN CURRENCY TRANSLATIONS

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

DEFERRED TAXATION

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more or less taxation in future. An asset is recognised to the extent that the transfer of economic benefits in future is more likely than not. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets and liabilities recognised are not discounted. This policy applies equally to subsidiary undertakings.

PENSION COSTS

The company is party to a defined benefit scheme operated by The Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plans (see note 17). The fund is valued every three years by a professionally qualified independent actuary, with rates of contributions payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of contributions made during the year or accrued at the year-end (i.e. on a defined contribution basis), as required by Financial Reporting Standard 17 "Retirement Benefits" in circumstances where the company cannot identify with any degree of accuracy its share of the scheme assets and liabilities. The company provides no other past retirement benefits to its employees.

Full details of the plan are provided in the financial statements of The Church of Jesus Christ of Latter-day Saints (Great Britain). During the year, both companies adopted the amendment to FRS 17. The effect of this is disclosed in Great Britain's accounts.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
AND SUBSIDIARY UNDERTAKINGS

ACCOUNTING POLICIES (CONTINUED)

PARENT COMPANY DONATIONS AND CAPITAL CONTRIBUTIONS

Donations by the company's parent undertakings to fund certain aspects of the company's excess of expenditure over income are included within incoming resources in the year to which they relate.

Capital contributions by the company's parent undertakings to provide funding are treated as an exceptional item in the statement of financial activities in the year in which they arise.

AREA AID INCOME

Area aid income is recognised in the Statement of Financial Activities when the underlying crops are sold. Set-aside income is recognised on a receivable basis wherever practicable else on a receipts basis.

FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the trustees in accordance with the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

LEASED ASSETS

Where assets are financed by leasing agreements that give rights approximating the ownership, the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding lease commitments are shown as obligations to the lessor. Lease payments are split between capital and interest elements using the annuity method. Depreciation on the relevant assets and interest are charged to the Statement of Financial Activities. All other leases are operating leases and the annual rentals are charged to operating profit on a straight line basis over the lease term.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

1a NET INCOME OF TRADING ACTIVITIES OF SUBSIDIARIES

The charity has three subsidiaries which are incorporated in England and Wales. All subsidiaries operated farming activities up to the 26th August 2007. On the 26th August 2007 the farming operations of Farmspeed (Southery Anchor) Limited and Hallsworth (Farmland Trust) Limited transferred to AgReserves Limited. Audited accounts prepared for the year ended 31 December 2008 have been filed with the Registrar of Companies and show the following results:

	Farmspeed (Southery Anchor) Limited £'000	Hallsworth (Farmland Trust) Limited £'000	AgReserves Limited £'000	2008 Total £'000	2007 Total £'000
Turnover	-	-	7,125	7,125	6,763
Cost of sales	-	-	(2,393)	(2,393)	(3,088)
Gross surplus	-	-	4,732	4,732	3,675
Operating expenses	-	-	(2,970)	(2,970)	(4,572)
Other operating income	-	-	-	-	-
Operating surplus	-	-	1,762	1,762	(897)
Profit on disposal of tangible fixed assets	-	-	110	110	25
Interest receivable	-	-	174	174	244
Charitable payments	-	-	-	-	(763)
Taxation	-	-	(538)	(538)	-
Net income/(expenditure) for the year per accounts	-	-	1,508	1,508	(1,391)
Consolidation adjustments eliminated:					
Rent payable to parent undertaking	-	-	1,156	1,156	1,154
Charitable payments to parent undertaking	-	-	-	-	763
Management fees receivable from parent undertaking	-	-	(98)	(98)	(88)
Reverse investment write off	-	-	-	-	1,391
Net income of trading subsidiaries included in the Statement of Financial Activities	-	-	2,566	2,566	1,829

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

1b ASSETS AND LIABILITIES OF SUBSIDIARIES

	2008 £'000	2007 £'000
Aggregate assets	25,005	23,062
Aggregate liabilities	(10,359)	(9,924)
Net assets	14,646	13,138

2a ANALYSIS OF CHARITABLE ACTIVITIES

	GROUP		COMPANY	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Cost of construction	986	1,622	1,084	1,710
Welfare provision	61	28	61	28
	1,047	1,650	1,145	1,738

2b COMPANY ACTIVITIES ALLOCATION

Activity	Activities Undertaken Directly £'000	Support Costs £'000	Total £'000
Construction of church buildings	499	585	1,084
Welfare provision	58	3	61
Total	557	588	1,145

2c SUPPORT COSTS ALLOCATION

Support cost	Construction £'000	Welfare Provision £'000	Basis of Allocation
Depreciation and amortisation	285	-	Usage
Physical facilities	100	1	Usage
Operating costs	200	2	Usage
Total	585	3	

The basis of allocation was determined by the actual usage in each of the cost categories which was attributable to that particular activity.

2d GOVERNANCE COSTS

	2008 £'000	2007 £'000
Audit	14	15
Accounting	11	10
Tax consultancy	2	3
	27	28

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

3 NET INCOME FOR THE YEAR

	2008 £'000	2007 £'000
Net income is stated after charging:		
Operational leases (land and buildings)	10	10
Depreciation		
- owned assets	288	280
(Loss)/profit on disposal of tangible fixed assets	(3)	735
Auditors' remuneration - audit services	14	15
Auditors' remuneration - other services	2	3

Auditors' remuneration in relation to other services relates to tax advice given to the company. Subsidiary auditors' remuneration of £16,300 (2007: £12,000) is included within the expenses for trading subsidiaries.

4 EMPLOYEES

	2008 No.	2007 No.
The average weekly number of persons (including directors) employed by the group during the year was:	25	29

	2008 £'000	2007 £'000
Staff costs for the above persons:		
Wages and salaries	915	861
Social security costs	68	72
Other pension costs	114	111
	1,097	1,044

For the year ended 31 December 2008 the number of employees whose emoluments fell within the following bands are as follows:

	2008 No.	2007 No.
£70,000 - £80,000	1	1
£60,000 - £70,000	1	1

The number of employees whose emoluments were above £60,000 and who had benefits accruing under the defined benefit scheme were as follows:

	2008 No.	2007 No.
£70,000 - £80,000	0	1
£60,000 - £70,000	1	1

The total pension contributions for the year made for these staff was £9,826.

	2008 £'000	2007 £'000
<i>Subsidiary director's remuneration</i>		
Emoluments	101	92
Company pension contributions to defined benefit pension schemes	11	14

During the year retirement benefits were accruing to one director in respect of defined benefit pension schemes.

None of the trustees received any remuneration or reimbursements from the charity during the year (2007:none).

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

5 TAXATION

The company is a registered charity and as such is entitled to certain tax exemptions on income and profits carried on in furtherance of the charity's primary objectives, if the profits and surpluses are applied solely for charitable purposes.

6 TANGIBLE FIXED ASSETS

GROUP

	Freehold Land £'000	Plant and Machinery £'000	Farms £'000	Total £'000
Cost:				
1st January 2008	7,110	5,867	41,967	54,944
Additions	-	943	505	1,448
Disposals	(3)	(392)	-	(395)
31st December 2008	7,107	6,418	42,472	55,997
Depreciation:				
1st January 2008	-	3,530	2,179	5,709
Charge for year	-	679	285	964
Disposals	-	(300)	-	(300)
31st December 2008	-	3,909	2,464	6,373
Net book value:				
31st December 2008	7,107	2,509	40,008	49,624
31st December 2007	7,110	2,337	39,788	49,235

A detailed analysis of farms is shown on page 22.

All of the tangible fixed assets are used to generate income for charitable purposes.

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NOTES TO THE FINANCIAL STATEMENTS
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6 TANGIBLE FIXED ASSETS (continued)

COMPANY

	Freehold Land £'000	Farms £'000	Total £'000
Cost:			
1st January 2008	7,110	41,967	49,077
Additions	-	505	505
Disposals	(3)	-	(3)
31st December 2008	7,107	42,472	49,579
Depreciation:			
1st January 2008	-	2,179	2,179
Charge for Year	-	285	285
Disposals	-	-	-
31st December 2008	-	2,464	2,464
Net book value:			
31st December 2008	7,107	40,008	47,115
31st December 2007	7,110	39,788	46,898

A detailed analysis of the farms category is shown on page 22.

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

6 TANGIBLE FIXED ASSETS (continued)

COMPANY

Included within farms are:

	Freehold Land £'000	Farm houses £'000	Assets in course of construction £'000	Farm buildings & amenities £'000	Equipment Fixtures & Fittings £'000	Total £'000
Cost:						
1st January 2008	32,580	3,834	41	5,429	83	41,967
Additions	71	190	(41)	285	-	505
Disposals	-	-	-	-	-	-
31st December 2008	32,651	4,024	-	5,714	83	42,472
Depreciation:						
1st January 2008	-	978	-	1,142	59	2,179
Reclassification	-	35	-	(35)	-	-
Charge for year	-	98	-	183	4	285
Disposals	-	-	-	-	-	-
31st December 2008	-	1,111	-	1,290	63	2,464
Net book value:						
31st December 2008	32,651	2,913	-	4,424	20	40,008
31st December 2007	32,580	2,856	41	4,287	24	39,788

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

7 FIXED ASSET INVESTMENTS

GROUP

	Listed £'000	Total £'000
Cost:		
1 January 2008 and 31 December 2008	5	5
Net book value:		
At 1 January 2008 and 31 December 2008	5	5

The market value of listed investments, which are included above at cost of £5,000, as at 31 December 2008 was £7,114 (2007: £30,176).

COMPANY

	Investment in Subsidiary Undertakings £'000
1 January 2008	4,100
31 December 2008	4,100

The company holds more than 10% of the share capital of the following undertakings:

Name	Country of incorporation	Class of holding	Proportion directly held	Nature of business
AgReserves Limited	England	Ordinary	100%	Farming
Indirect holdings:				
Hallsworth (Farmland Trust) Limited	England	Ordinary	100%	Farming
Farmspeed (Southery Anchor) Limited	England	Ordinary	100%	Farming

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

8 STOCKS

	GROUP		COMPANY	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Cultivations	2,892	2,104	-	-
Harvested crops	3,364	2,535	-	-
	6,256	4,639	-	-

9 DEBTORS

	GROUP		COMPANY	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Due within one year:				
Trade debtors	2,107	1,968	-	-
Other debtors	240	499	4	139
Amounts owed by group undertakings	-	-	4,073	4,737
	2,347	2,467	4,077	4,876

10 INVESTMENTS

All investment income arises from interest bearing deposit accounts. These are short term high interest accounts.

	GROUP		COMPANY	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Fixed term deposit accounts	10,731	9,528	10,731	9,528

11 CREDITORS: Amounts falling due within one year

	GROUP		COMPANY	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Trade creditors	159	563	-	-
Other creditors	193	174	137	109
Accruals	553	413	15	413
	905	1,150	152	522

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

12 CREDITORS: Amounts falling due in more than one year

	GROUP		COMPANY	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Loan from holding company	3,619	4,726	3,619	4,726

The loan from the holding company is a loan from the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints which is subordinated to the claims of all other creditors. The loan is interest free and there are no fixed repayment terms.

13 SHARE CAPITAL

	2008 £'000	2007 £'000
Authorised: 25 million ordinary shares of £1 each	25,000	25,000
Allotted, issued and fully paid	10,000	10,000

14 TOTAL CHARITY FUNDS

	GROUP		COMPANY	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Balance at 1 January 2008	54,384	51,550	50,879	48,045
Net surplus for the year	3,586	2,834	2,077	2,834
Balance at 31 December 2008	57,970	54,384	52,956	50,879

15 RECONCILIATION OF MOVEMENT IN CHARITY FUNDS

	2008 £'000	2007 £'000
Surplus for the financial year	3,586	2,834
Opening charity funds	54,384	51,550
Closing charity funds	57,970	54,384

Charity funds are entirely attributable to equity interests.

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

16 NOTES TO THE CASH FLOW STATEMENT

A Analysis of cash flows	2008 £'000	2007 £'000
Reconciliation of net movement in funds to operating surplus		
Net movement in funds	3,586	2,834
Interest received	(674)	(668)
	<u>2,912</u>	<u>2,166</u>
Returns on investments and servicing of finance	2008 £'000	2007 £'000
Interest received	674	668
	<u>674</u>	<u>668</u>
Capital expenditure and fixed asset investment	2008 £'000	2007 £'000
Purchase of tangible fixed assets	(1,448)	(1,650)
Proceeds from sale of tangible fixed assets	202	1,309
Proceeds from sale of investments	-	8
	<u>(1,246)</u>	<u>(333)</u>
Management of liquid resources	2008 £'000	2007 £'000
Fixed term deposits	<u>(1,203)</u>	<u>(2,707)</u>
B Analysis of changes in net (debt)/funds	1 January 2008 £'000	Cash Flows 2008 £'000
Cash at bank and in hand	4,386	(855)
	<u>4,386</u>	<u>(855)</u>
Debt due after 1 year	(4,726)	1,107
	<u>(340)</u>	<u>252</u>
Total		(88)

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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17 PENSION AND OTHER POST EMPLOYMENT COMMITMENTS

The company participates in a pension scheme operated by the Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plans ("the Plan"). The scheme is of the defined benefit type and is funded by contributions from the participating companies and their employees at rates determined by independent actuaries in the light of regular valuations. Such contributions are held in trustee-administered funds completely independent of group finances. Full disclosure of the valuation is shown in the accounts of The Church of Jesus Christ of Latter-day Saints (Great Britain). The company has accounted for the scheme as if it was a defined contribution scheme because it is not feasible to split the assets and liabilities of the scheme between all the companies whose employees are members. Contributions to the scheme for the year were £ 114,412 (2007: £110,532).

18 RELATED PARTY TRANSACTIONS AND ULTIMATE HOLDING COMPANY

The company is solely owned and controlled by the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints, a company incorporated in the state of Utah, United States of America.

Details of the loan account with the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints are included in note 12. Assurances of continued financial support have been received from the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints.

During the year the company contracted with another fellow subsidiary, The Church of Jesus Christ of Latter-day Saints (Great Britain) to carry out construction of church buildings on its behalf. The value of this work in the year was £500,000 (2007 £1,006,000).

19 FINANCIAL COMMITMENTS

At 31 December 2008 the group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2008	2007
	£'000	£'000
In less than one year	10	10
In two to five years	-	-
In more than five years	-	-